

SECRET

CONTROL OF COPPER WIRE

Her Majesty's Government have given careful thought to the views expressed in the Memorandum of the United States Government of the 20th of June, 1957, on the control of the exports of copper wire to the Soviet bloc.

This matter is of considerable importance to the United Kingdom both for her own economy and because of her Commonwealth interests. In particular, trade in copper is of great importance to the Federation of Rhodesia and Nyasaland, more especially as the market price of raw copper has fallen by more than half in the last eighteen months (from £437 to under £200 per ton) and has for some time stood below the level to which the Rhodesian budget is geared.

It is apparent that, whilst both Governments agree on the importance of maintaining strategic controls for as long as they are shown to be necessary, there is a difference of opinion on the applicability of the criteria by which materials are judged to have sufficient strategic value to justify an embargo on their export to the Sino-Soviet bloc.

In the opinion of Her Majesty's Government, the existing strategic criteria, under which a wide range of goods and materials is subject to embargo, do not accord with the lines of current NATO strategic thinking and planning assumptions. In their view, the time has come for a review of these criteria with the object of modifying them to accord with the requirements of current strategic planning. In the light of the outcome of this review both Governments could determine for which goods and materials an embargo was, in their opinion, now justified. An appropriate recommendation could thereafter be submitted to the Coordinating Committee.

Her Majesty's Government propose, therefore, that discussions should be held by experts of the United States and United Kingdom Governments, to review the current criteria for the maintenance of strategic controls. It would then be possible on the new basis thus provided to prepare new lists of embargoed items for the consideration of the two Governments.

In the meantime, in order to meet as far as they can the interest of the United States in the matter of the control of copper wire exports, Her Majesty's Government have decided that they will restrict their licensing of exports of bare copper wire to the Soviet bloc, in the six months period commencing on the 1st of January, 1958, to a limit of 30,000 tons.

If the United States Government find themselves able to accept the proposal for discussions now put forward, Her Majesty's Government will be glad to consider their suggestions for a suitable time and place.

Foreign Office,  
October 12, 1957

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*London 2804*

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